Collection and Depositing of Processing Fees for Returned Checks Except Those Offered in Payment of Taxes

Policy Area**: State Disbursing**	Effective Date: **01/01/1995**
Policy Sub Area: **NA**	Last Revision Date: **NA**
Authority: **G. S. 25-3-506**	Policy Owner/Division**: Statewide Accounting**

Policy

"A processing fee" is not to exceed twenty-five dollars($25.00), may be charged and collected for checks on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank if at the time the consumer presented the check to the person, a sign:

(1) was conspicuously posted on or in the immediate vicinity of the cash register;
(2) was in plain view of anyone paying for goods or services by check;

(3) was no smaller than 8 by 11 inches; and

(4) stated the amount of the fee that would be charged for returned checks.

When the drawer sends a check by mail for payment of a debt and the check is dishonored and returned, the processing fee may be collected if the drawer was given prior written notice that a fee would be charged for returned checks."

1. Agencies and institutions are to post a notice consistent with G. S. 25-3-506 in the immediate vicinity of any point of sale.

2. Agencies and institutions are to give written notice to persons or entities that mail payments that a fee will be charged for returned checks.

3. Agencies and institutions are to charge a processing fee of twenty-five dollars ($25.00) for returned checks.

4. Agencies and institutions must deposit the processing fee into the fund that provides the majority of the support for the following:

- the position responsible for collecting the fee
- other expenses incurred in collecting the fee

Procedures

NA

Accounting Guidance

    NA

Related Documents (Memos/Forms)

    NA

Revision History	
Date	**Description**
NA	